



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 15, 2007
TO: Mayor and Councilmembers
FROM: City Attorney's Office
SUBJECT: Introduction Of Ordinance For Lease Of City Attorney's Office Space
At 740 State Street

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Authorizing the City Attorney to Execute Amendment No. 2 to Agreement No. 16,332 with BDC Management, as Agents for the Owners, to Extend the Term of the Lease for the City Attorney's Office at 740 State Street, Suite 201, Commencing in August, 2007, and Ending in August, 2012.

DISCUSSION:

On December 10, 1991, the City Council authorized the City Attorney to execute a lease with De La Guerra/State Street Partners for the use of approximately 3600 square feet of office space in what is known as the De La Guerra Building. The "triple net" real property lease was approved by Council's adoption of Ordinance No. 4732 and the City Attorney's staff was relocated out of City Hall and across De La Guerra Plaza into their present offices.

The initial term of the lease was for a period of five (5) years, which began on July 22, 1992. The lease was amended to provide an option to extend the term of the lease for an additional period of five (5) years, ending on July 31, 2002. The City Council approved an additional five (5) year extension of the lease (Amendment No. 1) on December 14, 1999, which extension will end on August 1, 2007.

The City Attorney's office has recently negotiated with the firm managing the building for the owners, Atlantico, Inc. regarding another lease extension. The owners have agreed to offer to extend the term of the existing lease by five (5) years - i.e., until August of 2012. In addition, the proposed amendment also grants the City a unilateral option to extend the lease an additional (5) five years, so long as the City gives written notice of

REVIEWED BY: _____ Finance _____ Attorney _____ Name of Additional Department(s) That Need to Review CAR

Agenda Item No. 7

160.01

its decision to extend prior to April 2012. The terms for the amendment will provide for the same terms and conditions as the original 1992 lease except for a two percent (2%) annual rent increase; otherwise, the lease amendment continues all of the existing terms and conditions of the current lease.

BUDGET/FINANCIAL INFORMATION

Annual estimated 2007 common area maintenance (CAM) expenses are \$36,174.15. This CAM cost breaks down as \$3,014.51 per month or \$0.83 per square foot per month. The base rent for the office is \$10,862.37 a month calculated by the approximate square footage which is 3,624 square feet x \$3.00 per square foot. No budget appropriation is needed at this time, as the City Attorney's office has budgeted for an adjustment of 2 percent each year of the lease extension.

PREPARED BY: Kim M. Peirson, Legal Secretary

SUBMITTED BY: Stephen P. Wiley, City Attorney

APPROVED BY: City Administrator's Office